

ation in prices. It is then perceived that the enhancement of the price of land and labor produces a corresponding increase in the price of products until those do not sustain a competition with similar ones in other countries; and thus both manufactured and agricultural productions cease to bear exportation from the country of the spurious currency because, they cannot be sold for cost. This is the process by which specie is banished by the paper of the banks. Their vaults are soon exhausted to pay for foreign commodities; the next step is a stoppage of specie payment; a total degradation of paper as a currency; unusual depression of prices; the ruin of debtors, and the accumulation of property in the hands of creditors and cautious capitalists.

It was in view of these evils, together with the dangerous power wielded by the Bank of the United States, and its repugnance to our constitution, that I was induced to exert the power conferred upon me by the American people, to prevent the continuance of that institution. But, although various dangers to our republican institutions have been obviated by the failure of that bank to extend from the Government a renewal of its charter, it is obvious that little has been accomplished, except a salutary change of public opinion, towards restoring to the country the sound currency provided for in the constitution. In the acts of several of the States prohibiting the circulation of small notes, and the auxiliary enactments of Congress at the last session forbidding their reception or payment on public account, the true policy of the country has been advanced, and a larger portion of the precious metals infused into our circulating medium. These measures will probably be followed up, in due time, by the enactment of State laws banishing from circulation bank notes of still higher denominations; and the object may be materially promoted by further acts of Congress, forbidding the employment, as fiscal agents, of such banks as continue to issue notes of low denominations, and throw impediments in the way of the circulation of gold and silver.

The effects of an extension of bank credit and over issues of bank paper, have been strikingly illustrated in the sales of the public lands. From the returns made by the various Registers and Receivers in the early part of last summer, it was perceived that the receipts arising from the sales of the public lands were increasing to an unprecedented amount. In effect, however, these receipts amounted to nothing more than credits in bank. The banks lent out their notes to speculators; they were paid to the Receivers, and immediately returned to the banks, to be lent out again, being mere instruments to transfer to speculators the most valuable public land, and pay the Government by a credit on the books of the banks. These credits on the books of some of the western banks, usually called deposits, were already greatly beyond their immediate means of payment, and were rapidly increasing. Indeed each speculation furnished means for another, for no sooner had one individual or company paid in the notes, than they were immediately lent to another for a like purpose, and the banks were extending their business and their issues so largely, as to alarm considerate men, and render it doubtful whether these bank credits, if permitted to accumulate, would ultimately be of the least value to the Government. The spirit of expansion and speculation was not confined to the deposit banks, but pervaded the whole multitude of banks throughout the Union, and was giving rise to new institutions to aggravate the evil.

The safety of the public funds, and the interest of the people generally, required that these operations should be checked; and it became the duty of every branch of the General and State Governments to adopt all legitimate and proper means to produce that salutary effect. Under this view of my duty, I directed the issuing of the order which will be laid before you by the Secretary of the Treasury, requiring payment for the public lands sold to be made in specie, with an exception until the 15th of the present month, in favor of actual settlers. This measure has produced many salutary consequences. It checked the career of the western banks, and gave them additional strength in anticipation of the pressure which has since pervaded our eastern as well as the European commercial cities. By preventing the extension of the credit system, it measurably cut off the means of speculation, and retarded its progress in monopolizing the most valuable of the public lands. It has tended to save the new States from a non-resident proprietorship, one of the greatest obstacles to the advancement of a new country and the prosperity of an old one. It has tended to keep open the public lands for entry by emigrants at Government prices, instead of their being compelled to purchase of speculators at double or treble prices. And it is conveying into the interior large sums in silver and gold, there to enter permanently into the currency of the country, and place it on a firmer foundation. It is confidently believed that the country will find in the motives which induced that order, and the happy consequences which will have ensued, much to commend and nothing to condemn.

It remains for Congress, if they approve the policy which dictated this order, to follow it up in its various bearings. Much good, in my judgment, would be produced by prohibiting sales of the public lands, except to actual settlers, at a reasonable reduction of price, and to limit the quantity which shall be sold to them. Although it is believed the General Government never ought to receive anything but the constitutional currency in exchange for the public lands, that point would be of less importance if the lands

were sold for immediate settlement and cultivation. Indeed, there is scarcely a mischief arising out of our present land system, including the accumulating surplus of revenue, which would not be remedied at once by a restriction on land sales to actual settlers; and it promises other advantages to the country in general, and to the new States in particular, which cannot fail to receive the most profound consideration of Congress.

Experience continues to realize the expectations entertained as to the capacity of the State Banks to perform the duties of the fiscal agents for the Government. At the time of the removal of the deposits, it was alleged by the advocates of the Bank of the United States that the State banks, whatever might be the regulations of the Treasury Department, could not make the transfers required by the Government, or negotiate the domestic exchanges of the country. It is now well ascertained that the real domestic exchanges performed, through discounts, by the United States Bank and its twenty-five branches, were at least one third less than those of the deposit banks for an equal period of time; and if a comparison be instituted between the amounts of service rendered by these institutions, on the broader basis which has been used by the advocates of the United States Bank in estimating what they consider the domestic exchanges transacted by it, the result will be still more favorable to the deposit banks.

The whole amount of public money transferred by the Bank of the United States in 1832, was \$16,000,000. The amount transferred and actually paid by the deposit banks in the year ending the first of October last, was \$39,319,599;—the amount transferred and paid between that period and the 6th of November, was \$5,399,000; and the amount of transfer warrants outstanding on that day was \$14,450,080; making an aggregate of \$59,168,594. These enormous sums of money first mentioned have been transferred with the greatest promptitude and regularity, and the rates at which the exchanges have been negotiated previously to the passage of the deposit act, were generally below those charged by the bank of the United States. Independently of these services, which are far greater than those rendered by the United States Bank, and its twenty-five branches, a number of the deposit banks have, with a commendable zeal to aid in the improvement of the currency, imported from abroad, at their own expense, large sums of the precious metals, for coinage and circulation.

In the same manner have nearly all the predictions turned out in respect to the effect of the removal of the deposits—a step unquestionably necessary, to prevent the evils which it was foreseen the bank itself would endeavor to create, in a final struggle to procure a renewal of its charter.—It may be thus, too, in some degree, with the further steps which may be taken to prevent the excessive issue of other bank paper; but it is to be hoped that nothing will now deter the Federal and State authorities from the firm and vigorous performance of their duties to themselves and to the people in this respect.

In reducing the revenue to the wants of the Government, your particular attention is invited to those articles which constitute the necessities of life. The duty on salt was laid as a war tax, and was no doubt continued to assist in providing for the payment of the war debt. There is no article the release of which from taxation would be felt so generally and so beneficially.

To this may be added all kinds of fuel and provisions. Justice and benevolence unite in favor of releasing the poor of our cities from burdens which are not necessary to the support of our government, and tend only to increase the wants of the destitute.

It will be seen by the report of the Secretary of the Treasury, and the accompanying documents, that the Bank of the United States has made no payment on account of the stock held by the government in that institution, although urged to pay any portion which might suit its convenience, and that it has given no information when payment may be expected.

Nor, although repeatedly requested, has it furnished the information in relation to its condition, which Congress authorized the Secretary to collect at their last session; such measures as are within the power of the executive, have been taken to ascertain the value of the stock, and procure the payment as early as possible.

The conduct and present condition of that bank, and the great amount of capital vested in it by the United States, require your careful attention. Its charter expired on the 3d day of March last, and it has now no power but that given in the 21st section, "to use the corporate name, style, and capacity, for the purpose of suits for the final settlement and liquidation of the affairs and accounts of the corporation, and for the sale and disposition of their estate, real, personal, and mixed, but not for any other purpose, or in any other manner whatsoever, nor for a period exceeding two years after the expiration of the said term of incorporation."

Before the expiration of the charter, the stockholders of the bank obtained an act of incorporation from the Legislature of Pennsylvania, excluding only the United States.

Instead of proceeding to wind up their concerns, and pay over to the United States the amount due on account of the stock held by them, the President and Directors of the old bank appear to have transferred the books, papers, notes, obligations, and more or all of its property to this new corporation, which entered upon business as a continuation of the old concern.

Among other acts of questionable validity, the notes of the expired corporation

are known to have been used as its own, and again put in circulation. That the old bank had no right to issue or re-issue its notes after the expiration of its charter, cannot be denied, and that it could not confer any such right on its substitute, any more than exercise it itself, is equally plain.

In law and honesty, the notes of the bank in circulation, at the expiration of its charter, should have been called in by public advertisement, paid up as presented, and, together with those on hand, cancelled and destroyed.

Their re-issue is sanctioned by no law, and warranted by no necessity. If the United States be responsible in their stock for the payment of these notes, their re-issue, by the new corporation, for their own profit, is a fraud on the government.

If the United States is not responsible, then there is no legal responsibility in any quarter, and it is a fraud on the country. They are the redeemed notes of a dissolved partnership, but, contrary to the wishes of the retiring partner, and without his consent, are again re-issued and circulated.

It is the high and peculiar duty of Congress to decide whether any further legislation be necessary for the security of the large amount of public property now held and in use by the new bank, and for vindicating the rights of the government, and compelling a speedy and honest settlement with all the creditors of the old bank, public and private, or whether the subject shall be left to the power now possessed by the executive and judiciary. It remains to be seen whether the persons, who, as managers of the old bank, undertook to control the government, retained the public dividends, shut their doors upon a committee of the House of Representatives, and filled the country with panic to accomplish their own sinister objects, may now, as managers of a new bank, continue with impunity to flood the country with a spurious currency, use the seven millions of government stock for their own profit, and refuse to the United States all information as to the present condition of their own property, and the prospect of recovering it into their own possession.

The lessons taught by the Bank of the United States cannot well be lost upon the American people. They will take care never again to place so tremendous a power in irresponsible hands, and it will be fortunate if they seriously consider the consequences which are likely to result on a smaller scale from the facility with which corporate powers are granted by their state governments.

It is believed that the law of the last session regulating the deposit banks, operates onerously and unjustly upon them in many respects; and it is hoped that Congress, on proper representation, will adopt the modifications which are necessary to prevent this consequence.

The report of the Secretary of War, *ad interim*, and the accompanying documents, all which are herewith laid before you, will give you a full view of the diversified and important operations of that department during the past year.

The military movements rendered necessary by the aggressions of the hostile portions of the Seminole and Creek Indians, and by other circumstances, have required the active employment of nearly our whole regular force, including the marine corps, and of large bodies of militia and volunteers. With all these events, so far as they were known at the seat of government before the termination of your last session, you are already acquainted, and it is therefore only needful in this place to lay before you a brief summary of what has since occurred.

The war with the Seminoles, during the summer, was, on our part chiefly confined to the protection of our frontier settlements from the incursions of the enemy; and as a necessary and important means for the accomplishment of that end, to the maintenance of the posts previously established. In the course of this duty, several actions took place, in which the bravery and discipline of both officers and men were conspicuously displayed, and which I have deemed it proper to notice, in respect to the former, by the granting of brevet rank for gallant services in the field. But as the force of the Indians was not so far weakened by these partial successes as to lead them to submit, and as their savage inroads were frequently repeated, early measures were taken for placing at the disposal of Gov. Call, who, as commander in chief of the territorial militia, had been temporarily invested with the command, an ample force, for the purpose of resuming offensive operations, in the most efficient manner, so soon as the season should permit. Major General Jesup was also directed, on the conclusion of his duties in the Creek country, to repair to Florida, and assume the command.

The result of the first movement made by the forces under the direction of Gov. Call, in October last, as detailed in the accompanying papers, excited much surprise and disappointment. A full explanation has been required of the causes which led to the failure of that movement, but has not yet been received. In the mean time, it was feared that the health of Gov. Call, who was understood to have suffered much from sickness, might not be adequate to the crisis, and as Major General Jesup was known to have reached Florida, that officer was directed to assume the command, and to prosecute all needful operations with the utmost promptitude and vigor. From the force at his disposal, and the dispositions he has made, and is instructed to make, and from the very efficient measures which it is since ascertained have been taken by Governor Call, there is reason to hope that they will soon be enabled to reduce the enemy to subjection. In the mean time, as you

will perceive from the report of the Secretary, there is urgent necessity for further appropriations to suppress these hostilities.

Happily for the interests of humanity, the hostilities with the Creeks were brought to a close soon after your adjournment, without that effusion of blood which at one time was apprehended as inevitable.—The unconditional submission of the hostile party was followed by their speedy removal to the country assigned them west of the Mississippi. The inquiry as to alleged frauds in the purchase of the reservations of these Indians, and the causes of their hostilities, requested by the resolution of the House of Representatives of the 1st of July last, to be made by the President, is now going on through the agency of commissioners appointed for that purpose. Their report may be expected during your present session.

The difficulties apprehended in the Cherokee country have been prevented, and the peace and safety of that region and its vicinity effectually secured, by the timely measures taken by the war department, and still continued.

The discretionary authority given to Gen. Gaines to cross the Sabine, and to occupy a position as far West as Nacogdoches, in case he should deem such a step necessary to the protection of the frontier, and to the fulfilment of the stipulations contained in our treaty with Mexico, and the movement subsequently made by that officer, have been alluded to in a former part of this message. At the date of the latest intelligence from Nacogdoches, our troops were yet at that station; but the facts known at the seat of government, there would seem to be no adequate cause for any longer maintaining that position; and he was accordingly instructed, in case the troops were not already withdrawn under the discretionary powers before possessed by him, to give the requisite orders for that purpose on the receipt of the instructions, unless he shall then have in his possession such information as shall satisfy him that the maintenance of the post is essential to the protection of our frontier, and to the execution of our treaty stipulations, as previously explained to him.

While the necessities existing during the present year, for the service of militia and volunteers, have furnished new proofs of the patriotism of our fellow citizens, they have also strongly illustrated the importance of an increase in the rank and file of the regular army. The views of this subject, submitted by the Secretary of War, in his report, meet my entire concurrence, and are earnestly commended to the deliberate attention of Congress. In this connection it is also proper to remind you, that the defects in our present militia system are every day more apparent. The duty of making further provisions by law for organizing, arming and disciplining this arm of defence has been so repeatedly presented to Congress by myself and my predecessors, that I deem it sufficient on this occasion to refer to the last annual message and to former Executive communications, in which the subject has been discussed.

It appears that the reports of the officers charged with mustering into service the volunteers called for under the act of Congress of the last session, that more presented themselves at the place of rendezvous in Tennessee than were sufficient to meet the requisition which had been made by the Secretary of War upon the government of that state. This was occasioned by the omission of the governor to apportion their requisition to the different regiments of militia, so as to obtain the proper number of troops, and no more. It seems but just to the patriotic citizens who repaired to the general rendezvous, under circumstances authorizing them to believe that their services were needed, and would be accepted, that the expenses incurred by them while absent from their homes should be paid by the government. I accordingly recommended that a law to this effect be passed by Congress, giving them a compensation which will cover their expenses on the march to and from the place of rendezvous, and while there; in connection with which, it will also be proper to make provisions for such other equitable claims, growing out of the service of the militia, as may not be embraced in the existing laws.

On the unexpected breaking out of hostilities in Florida, Alabama, and Georgia, it became necessary, in some cases, to take property of individuals for public use.—Provision should be made by law for indemnifying the owners, and I would also respectfully suggest whether some provision may not be made, consistently with the principles of our government, for the relief of the sufferers by Indian depredations, or by the operations of our own troops.

No time was lost after the making of the requisite appropriations, in resuming the great national work of completing the unfinished fortifications on our seaboard, and of placing them in a proper state of defence. In consequence, however, of the very late day at which those bills were passed, but little progress could be made during the season which has just closed. A very large amount of the moneys granted at your last session, accordingly, remains unexpended; but as the work will be again resumed at the earliest moment in the coming spring, the balance of the existing appropriations, and in several cases, which will be laid before you with the proper estimates, further sums for the like objects, may be usefully expended during the next year.

The national policy, founded alike in interest and in humanity, so long and so steadily pursued by this Government, for the removal of the Indian tribes originally settled on this side of the Mississippi, to the west of that river, may be said to have been consummated by the conclusion of the late treaty with the Cherokees.

The measures taken in the execution of that treaty, and in relation to our Indian affairs generally, will more fully appear by referring to the accompanying papers. Without dwelling on the numerous and important topics embraced in them, I again invite your attention to the importance of proving a well digested and comprehensive system for the protection, supervision, and improvement of the various tribes now planted in the Indian country.

The suggestions submitted by the commissioner of Indian Affairs, and enforced by the Secretary, on this subject, and also in regard to the establishment of additional military posts in the Indian country, are entitled to your profound consideration. Both measures are necessary for the double purpose of protecting the Indians from intestine war, and in other respects complying with our engagements to them, and of securing our western frontier against incursions, which otherwise will assuredly be made on it.

The best hopes of humanity, in regard to the aboriginal race, the welfare of our rapidly extending settlements, and the honor of the United States, are all deeply involved in the relations existing between this government and the emigrating tribes.

I trust, therefore, that the various matters submitted in the accompanying documents, in respect to those relations, will receive your early and mature deliberation; and that it may issue in the adoption of legislative measures adapted to the circumstances and duties of the present crisis.

You are referred to the report of the Secretary of the Navy for a satisfactory view of the operations of the department under his charge, during the present year. In the construction of vessels at the different navy yards, and in the employment of our ships and squadrons at sea, that branch of the service has been actively and usefully employed. While the situation of our commercial interests in the West Indies required a greater number than usual of armed vessels to be kept at that station, it is gratifying to perceive that the protection due to our commerce in other quarters of the world has not proved insufficient. Every effort has been made to facilitate the equipment of the exploring expedition authorized by the act of the last session, but all the preparation necessary to enable it to sail has not yet been completed. No means will be spared by the Government to fit out the expedition on a scale corresponding with the liberal appropriation for the purpose, and with the elevated character of the objects which are to be effected by it.

I beg leave to renew the recommendation made in my last annual message, respecting the enlistment of boys in our naval service, and to urge upon your attention the necessity of further appropriation to increase the number of ships afloat, and to enlarge generally the capacity and force of the navy. The increase of our commerce, and our position in regard to the other powers of the world, will always make it our policy and interest to cherish the great naval resources of our country.

The report of the Postmaster General presents a gratifying picture of the condition of the Post Office Department. Its revenues for the year ending the 30th June last, were \$3,398,455 19, showing an increase of revenue over that of the preceding year of \$404,878 52, or more than 13 per cent. The expenditures for the same year were \$2,755,623 76, exhibiting a surplus of \$642,831 43. The Department has been redeemed from embarrassment and debt, has accumulated a surplus exceeding half a million of dollars, has largely extended, and is preparing still further to extend, the mail service, and recommends a reduction of postages equal to about 20 per cent. It is practising upon the great principle, which should control every branch of our government, of rendering to the public the greatest good possible, with the least possible taxation to the people.

The scale of postages suggested by the Postmaster General recommends itself, not only by the reduction it proposes, but by the simplicity of its arrangement, its conformity with the federal currency, and the improvement it will introduce into the accounts of the Department and its agents.

Your particular attention is invited to the subject of mail contracts with rail-road companies. The present laws, providing for the making of contracts, are based upon the presumption that competition among bidders will secure the service at a fair price. But on most of the rail-road lines, there is no competition in that kind of transportation, and advertising is therefore useless. No contract can now be made with them, except such as shall be negotiated before the time of offering, or afterwards, and the power of the Postmaster General to pay them high prices, is practically without limitation. It would be a relief to him, and no doubt would conduce to the public interest, to prescribe by law some equitable basis upon which such contracts shall rest, and restrict him by a fixed rule of allowance. Under a liberal act of that sort, he would undoubtedly be able to secure the services of most of the rail-road companies, and the interest of the department would be thus advanced.

The correspondence between the people of the United States and the European nations, and particularly with the British Islands, has become very extensive, and requires the interposition of Congress to give it security. No obstacle is perceived to an interchange of mails between New York and Liverpool, or other foreign ports, as proposed by the Postmaster General; on the contrary, it promises, by the security it will afford, to facilitate commercial transactions, and give rise to an enlarged intercourse among the people of

different nations, which cannot but have a happy effect. Through the City of New York, most of the correspondence between the Canadas and Europe is now carried on, and urgent representations have been received from the head of the Provincial Post Office, asking the interposition of the United States to guard it from the accidents and losses to which it is now subjected. Some legislation appears to be called for, as well by our own interest, as by comity to the adjoining British Provinces.

The expediency of providing a fire-proof building for the important books and papers of the Post Office Department, is worthy of consideration. In the present condition of our Treasury, it is neither necessary nor wise to leave essential public interests exposed to so much danger, when they can so readily be made secure.

There are weighty considerations in the location of a new building for the Department in favor of placing it near the other Executive buildings. The important subjects of a survey of the coast, and the manufacture of a standard of weights and measures for the different custom houses, have been in progress for some years, under the general direction of the Executive, and the immediate superintendence of a gentleman possessing high scientific attainments. At the last session of Congress, the making of a set of weights and measures for each State in the Union was added to the others by a joint resolution.

The care and correspondence as to all these subjects have been devolved on the Treasury Department during the last year. A special report from the Secretary of the Treasury will soon be communicated to Congress, which will show what has been accomplished as to the whole, the number and compensation of the persons now employed in these duties, and the progress expected to be made during the ensuing year, with a copy of the various correspondence deemed necessary to throw light on the subjects which seem to require additional legislation. Claims have been made for retrospective allowances in behalf of the superintendent, and some of his assistants, which I do not feel justified in granting; other claims have been made for large increases in compensation, which under all the circumstances of the several cases, I declined making without the express sanction of Congress. In order to obtain that sanction, the subject was at the last session, on my suggestion, and by request of the immediate superintendent, submitted by the Treasury Department to the Committee of Commerce of the House of Representatives. But no legislative action having taken place, the early attention of Congress is now invited to the enactment of some express and detailed provisions in relation to the various claims made for the past, and to the compensation and allowances deemed proper for the future.

It is further respectfully recommended that such being the inconvenience of attention to these duties by the Chief Magistrate, and such the great pressure of business on the Treasury Department, the general supervision of the coast survey, and the completion of the weights and measures, if the works are kept united, should be devolved on a board of officers, organized specially for that purpose, or on the Navy Board attached to the Navy Department.

All my experience and reflection confirm the conviction I have so often expressed to Congress, in favor of an amendment of the Constitution, which will prevent, in any event, the election of the President and Vice President of the United States devolving on the House of Representatives and the Senate; and I therefore beg leave again to solicit your attention to the subject. There were various other suggestions in my last annual message, not acted upon, particularly that relating to the want of uniformity in the laws of the District of Columbia, that are deemed worthy of your favorable consideration.

Before concluding this paper, I think it due to the various Executive Departments to bear testimony to their prosperous condition, and to the ability and integrity with which they have been conducted. It has been my aim to enforce in all of them a vigilant and faithful discharge of the public business, and it is gratifying to me to believe that there is no just cause of complaint from any quarter, at the manner in which they have fulfilled the objects of their creation.

Having now finished the observations deemed proper on this the last occasion I shall have of communicating with the two Houses of Congress at their meeting, I cannot omit an expression of the gratitude which is due to the great body of my fellow-citizens, in whose partiality and indulgence I have found encouragement and support in the many difficult and trying scenes through which it has been my lot to pass during my public career. Tho' deeply sensible that my exertions have not been crowned with a success corresponding to the degree of favor bestowed upon me, I am sure that they will be considered as having been directed by an earnest desire to promote the good of my country; and I am consoled by the persuasion that whatever errors have been committed will find a corrective in the intelligence and patriotism of those who will succeed us.

All that has occurred during my administration, is calculated to inspire me with increased confidence in the stability of our institutions; and should I be spared to enter upon that retirement which is so suitable to my age and infirm health, and so much desired by me in other respects, I shall not cease to invoke that beneficent Being to whose providence we are already so signally indebted for the continuance of his blessings on our beloved country.

ANDREW JACKSON.

Washington, Dec. 6. 1836.